

shares of the Managed Emerging Markets Trust under proposed amended NYSE Arca Equities Rule 8.700. The proposed rule change was published for comment in the **Federal Register** on July 21, 2016.<sup>3</sup> The Commission has received no comments on the proposal.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is September 4, 2016. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider this proposed rule change. Accordingly, the Commission, pursuant to section 19(b)(2) of the Act,<sup>5</sup> designates October 19, 2016, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSEArca-2016-96).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-21251 Filed 9-2-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78724; File No. SR-OCC-2016-004]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Withdrawal of a Proposed Rule Change Related to the Adoption of an Options Exchange Risk Control Standards Policy

August 30, 2016.

On March 4, 2016, The Options Clearing Corporation ("OCC") filed with

the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt a new Options Exchange Risk Control Standards Policy and revise its Schedule of Fees to impose on clearing members a fee of two cents per cleared options contract (per side) executed on an options exchange that did not demonstrate sufficient risk controls designed to meet the proposed set of principles-based risk control standards. The proposed rule change was published for comment in the **Federal Register** on March 18, 2016.<sup>3</sup> On April 27, 2016, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.<sup>4</sup> On June 13, 2016, the Commission issued an order instituting proceedings to determine whether to approve or disapprove the proposed rule change.<sup>5</sup> The Commission received eight comment letters on the proposed rule change.<sup>6</sup>

On July 14, 2016, OCC filed a withdrawal of its proposed rule change (SR-OCC-2016-004) from consideration by the Commission. The Commission is hereby publishing notice of the withdrawal.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 77358 (March 14, 2016), 81 FR 14921 (March 18, 2016).

<sup>4</sup> See Securities Exchange Act Release No. 77720 (April 27, 2016), 81 FR 26609 (May 3, 2016).

<sup>5</sup> See Securities Exchange Act Release No. 78056 (June 13, 2016), 81 FR 39732 (June 17, 2016).

<sup>6</sup> See Letters from Mark Dehnert, Managing Director, Goldman Sachs & Co., and Kyle Czepiel, Co-Chief Executive Officer, Goldman Sachs Execution & Clearing, L.P., dated March 28, 2016, to Secretary, Commission; Lisa J. Fall, President, BOX Options Exchange, dated April 6, 2016, to Brent J. Fields, Secretary, Commission; James G. Lundy, Associate General Counsel, ABN AMRO Clearing Chicago LLC, dated April 8, 2016, to Brent J. Fields, Secretary, Commission; Ellen Greene, Managing Director, Securities Industry and Financial Markets Association, dated April 12, 2016, to Robert W. Errett, Deputy Secretary, Commission; Michael J. Simon, Secretary and General Counsel, International Securities Exchange, LLC, dated April 20, 2016, to Brent J. Fields, Secretary, Commission; Edward T. Tilly, Chief Executive Officer, Chicago Board Options Exchange, Inc., dated April 20, 2016, to Brent J. Fields, Secretary, Commission; OCC, dated June 13, 2016, to Brent J. Fields, Secretary, Commission; and Lisa J. Fall, President, BOX Options Exchange, dated June 21, 2016, to Brent J. Fields, Secretary, Commission.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-21257 Filed 9-2-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32243; 812-14657]

### Rational Advisors, Inc. and Strategy Shares; Notice of Application

August 30, 2016.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c-1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 12(d)(1)(f) for an exemption from sections 12(d)(1)(A) and 12(d)(1)(B) of the Act. The requested order would permit (a) index-based series of certain open-end management investment companies ("Funds") to issue shares redeemable in large aggregations only ("Creation Units"); (b) secondary market transactions in Fund shares to occur at negotiated market prices rather than at net asset value ("NAV"); (c) certain Funds to pay redemption proceeds, under certain circumstances, more than seven days after the tender of shares for redemption; (d) certain affiliated persons of a Fund to deposit securities into, and receive securities from, the Fund in connection with the purchase and redemption of Creation Units; and (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the Funds ("Funds of Funds") to acquire shares of the Funds.

**APPLICANTS:** Strategy Shares (the "Trust"), a Delaware statutory trust registered under the Act as an open-end management investment company with multiple series and Rational Advisors, Inc. ("RAI"), an Ohio corporation and an investment adviser that is registered as an investment adviser under the Investment Advisers Act of 1940.

**FILING DATES:** The application was filed on June 6, 2016.

<sup>7</sup> 17 CFR 200.30-3(a)(12).

<sup>3</sup> See Securities Exchange Act Release No. 78345 (July 15, 2016), 81 FR 47447.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> *Id.*

<sup>6</sup> 17 CFR 200.30-3(a)(31).

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on September 26, 2016, and should be accompanied by proof of service on applicants, in the form of an affidavit, or for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: 36 North New York Avenue, Huntington, NY 11743.

**FOR FURTHER INFORMATION CONTACT:** Jean E. Minarick, Senior Counsel, at (202) 551-6811 or Daniele Marchesani, Branch Chief, at (202) 551-6821 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Summary of the Application

1. Applicants request an order that would allow Funds to operate as index exchange traded funds ("ETFs").<sup>1</sup> Fund shares will be purchased and redeemed at their NAV in Creation Units only. All orders to purchase Creation Units and all redemption requests will be placed by or through an "Authorized Participant", which will have signed a participant agreement with a broker-dealer registered under the Securities Exchange Act of 1934 ("Exchange Act") (together with any future distributor, the

"Distributor"). Shares will be listed and traded individually on a national securities exchange, where share prices will be based on the current bid/offer market. Any order granting the requested relief would be subject to the terms and conditions stated in the application.

2. Each Fund will hold investment positions selected to correspond generally to the performance of an Underlying Index. In the case of Self-Indexing Funds, an affiliated person, as defined in section 2(a)(3) of the Act ("Affiliated Person"), or an affiliated person of an Affiliated Person ("Second-Tier Affiliate"), of the Trust or a Fund, of the Adviser, of any sub-adviser to or promoter of a Fund, or of the Distributor will compile, create, sponsor or maintain the Underlying Index.<sup>2</sup>

3. Shares will be purchased and redeemed in Creation Units and generally on an in-kind basis. Except where the purchase or redemption will include cash under the limited circumstances specified in the application, purchasers will be required to purchase Creation Units by depositing specified instruments ("Deposit Instruments"), and shareholders redeeming their shares will receive specified instruments ("Redemption Instruments"). The Deposit Instruments and the Redemption Instruments will each correspond pro rata to the positions in the Fund's portfolio (including cash positions) except as specified in the application.

4. Because shares will not be individually redeemable, applicants request an exemption from section 5(a)(1) and section 2(a)(32) of the Act that would permit the Funds to register as open-end management investment companies and issue shares that are redeemable in Creation Units only.

5. Applicants also request an exemption from section 22(d) of the Act and rule 22c-1 under the Act as secondary market trading in shares will take place at negotiated prices, not at a current offering price described in a Fund's prospectus, and not at a price based on NAV. Applicants state that (a) secondary market trading in shares does not involve a Fund as a party and will not result in dilution of an investment in shares, and (b) to the extent different prices exist during a given trading day,

or from day to day, such variances occur as a result of third-party market forces, such as supply and demand. Therefore, applicants assert that secondary market transactions in shares will not lead to discrimination or preferential treatment among purchasers. Finally, applicants represent that share market prices will be disciplined by arbitrage opportunities, which should prevent shares from trading at a material discount or premium from NAV.

6. With respect to Funds that effect creations and redemptions of Creation Units in kind and that are based on certain Underlying Indexes that include foreign securities, applicants request relief from the requirement imposed by section 22(e) in order to allow such Funds to pay redemption proceeds within fourteen calendar days following the tender of Creation Units for redemption. Applicants assert that the requested relief would not be inconsistent with the spirit and intent of section 22(e) to prevent unreasonable, undisclosed or unforeseen delays in the actual payment of redemption proceeds.

7. Applicants request an exemption to permit Funds of Funds to acquire Fund shares beyond the limits of section 12(d)(1)(A) of the Act; and the Funds, and any principal underwriter for the Funds, and/or any broker or dealer registered under the Exchange Act, to sell shares to Funds of Funds beyond the limits of section 12(d)(1)(B) of the Act. The application's terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over a Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A) and (B) of the Act.

8. Applicants request an exemption from sections 17(a)(1) and 17(a)(2) of the Act to permit persons that are Affiliated Persons, or Second Tier Affiliates, of the Funds, solely by virtue of certain ownership interests, to effectuate purchases and redemptions in-kind. The deposit procedures for in-kind purchases of Creation Units and the redemption procedures for in-kind redemptions of Creation Units will be the same for all purchases and redemptions and Deposit Instruments and Redemption Instruments will be valued in the same manner as those investment positions currently held by the Funds. Applicants also seek relief from the prohibitions on affiliated transactions in section 17(a) to permit a Fund to sell its shares to and redeem its

<sup>1</sup> Applicants request that the order apply to the BioShares BioThreat Index ETF and any additional series of the Trust, and any other open-end management investment company or series thereof (each, included in the term "Fund"), each of which will operate as an ETF and will track a specified index comprised of domestic or foreign equity and/or fixed income securities (each, an "Underlying Index"). Any Fund will (a) be advised by RAI or an entity controlling, controlled by, or under common control with RAI (each, an "Adviser") and (b) comply with the terms and conditions of the application.

<sup>2</sup> Each Self-Indexing Fund will post on its Web site the identities and quantities of the investment positions that will form the basis for the Fund's calculation of its NAV at the end of the day. Applicants believe that requiring Self-Indexing Funds to maintain full portfolio transparency will help address, together with other protections, conflicts of interest with respect to such Funds.

shares from a Fund of Funds, and to engage in the accompanying in-kind transactions with the Fund of Funds.<sup>3</sup> The purchase of Creation Units by a Fund of Funds directly from a Fund will be accomplished in accordance with the policies of the Fund of Funds and will be based on the NAVs of the Funds.

9. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 12(d)(1)(j) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

For the Commission, by the Division of Investment Management, under delegated authority.

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016–21246 Filed 9–2–16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78720; File No. SR–FICC–2016–003]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change to Describe the Blackout Period Exposure Charge That May Be Imposed on GCF Repo Participants

August 30, 2016.

On July 12, 2016, the Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR–FICC–2016–003 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b–4 thereunder.<sup>2</sup> The proposed rule change was published for comment in the **Federal Register** on July 21, 2016.<sup>3</sup> To date, the Commission has not received comments on the proposed rule change.

Section 19(b)(2) of the Act <sup>4</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is September 4, 2016. The Commission is extending this 45-day time period.

In order to provide the Commission with sufficient time to consider the proposed rule change, the Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change. Accordingly, the Commission, pursuant to section 19(b)(2) of the Act,<sup>5</sup> designates October 19, 2016 as the date by which the Commission shall either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File No. SR–FICC–2016–003).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> Securities Exchange Act Release No. 34–78347 (July 15, 2016), 81 FR 47466 (July 21, 2016) (SR–FICC–2016–003).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> *Id.*

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78710; File No. 601–01]

### Euroclear Bank SA/NV; Notice of Filing of Application To Modify an Existing Exemption From Clearing Agency Registration

August 29, 2016

#### I. Introduction

On May 9, 2016, Euroclear Bank SA/NV (“EB”) filed with the Securities and Exchange Commission (“Commission”) an application on Form CA–1 requesting to modify an existing exemption <sup>1</sup> (“Existing Exemption”) from clearing agency registration (“Modification Application”) <sup>2</sup> pursuant to Section 17A <sup>3</sup> of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17Ab2–1 thereunder.<sup>4</sup> Subject to certain limitations and conditions, the Existing Exemption enables EB as operator of the Euroclear System <sup>5</sup> to perform the functions of a clearing agency with respect to transactions involving certain U.S. government securities (“U.S. Government Securities”) <sup>6</sup> for its U.S.

<sup>6</sup> 17 CFR 200.30–3(a)(31).

<sup>1</sup> See Self-Regulatory Organizations; Morgan Guaranty Trust Company of New York, Brussels Office, as Operator of the Euroclear System; Order Approving Application for Exemption From Registration as a Clearing Agency, Exchange Act Release No. 39643 (Feb. 11, 1998), 63 FR 8232 (Feb. 18, 1998) (“Original Exemption Order”); and Self-Regulatory Organizations; Morgan Guaranty Trust Company, Brussels Office, as Operator of the Euroclear System and Euroclear Bank, S.A.; Order Approving Application to Modify an Existing Exemption From Clearing Agency Registration, Exchange Act Release No. 43775 (Dec. 28, 2000), 66 FR 819 (Jan. 4, 2001) (“2001 Exemption Modification Order”) (together the Existing Exemption).

<sup>2</sup> The descriptions set forth in this notice regarding the structure and operations of EB have been largely derived from information contained in EB’s amended Form CA–1 application and publicly available sources. The redacted Modification Application and non-confidential exhibits thereto are available on the Commission’s Web site.

<sup>3</sup> 15 U.S.C. 78q–1.

<sup>4</sup> 17 CFR 240.17Ab2–1.

<sup>5</sup> “Euroclear System” means the securities settlement system that has been operated by EB or its predecessor since 1968 and the assets, means, and rights related to such services. All services performed by EB that relate to securities settlement and custody are part of the Euroclear System. See Modification Application, Exhibit S–1 at 1.

<sup>6</sup> As used herein, the term “U.S. Government Securities” has the same meaning as the term

Continued

<sup>3</sup> The requested relief would apply to direct sales of shares in Creation Units by a Fund to a Fund of Funds and redemptions of those shares. Applicants, moreover, are not seeking relief from section 17(a) for, and the requested relief will not apply to, transactions where a Fund could be deemed an Affiliated Person, or a Second-Tier Affiliate, of a Fund of Funds because an Adviser or an entity controlling, controlled by or under common control with an Adviser provides investment advisory services to that Fund of Funds.